

Individualized Assessment Credit Worksheet

Applying New York State Credit Policy for Applicants to State-Funded Housing

This individualized assessment worksheet is for use by housing providers that consider credit history as a component of tenant selection. If such history is not considered in tenant selection, this worksheet need not be used. Completed worksheets must be maintained along with records of all applicants and applications for a minimum of 2 years. More information and guidance regarding this Worksheet can be found here: <https://hcr.ny.gov/marketing-plans-policies#credit-and-justice-involvement--assessment-policies>

Development Name and Address:

Reviewer's Name:

Applicant's Name:

Date:

Prohibited Information

The following information may not be considered in this individualized assessment:

- Debt to income ratios;
- Lack of credit history or rental history;
- Housing court history or past or pending landlord-tenant action;
- Guarantors or co-signers, with the exception of not-for-profits or government entities acting on behalf of their clients;
- Home visits or representations of the applicant's living situation; or
- Outreach to current or previous landlords, neighbors or others associated with the Applicant's living situation, except (a) as specifically authorized by the Applicant to obtain a current or previous landlord's written record of rent payment pursuant to Part I, Step 2 or Part II, Step 1.2 below or (b) to obtain information from a current or previous landlord regarding Applicant's history of major lease violations (e.g., nonpayment of rent or use of premises for illegal purposes), which does not require the authorization of the Applicant. To the extent that a current or previous landlord provides information that does not rise to the level of a major lease violation, such information must be disregarded. If a current or previous landlord reports a major lease violation, the Applicant must be afforded the opportunity to present documentation affirming the existence of any mitigating factors, as set forth in Part II below (e.g., financial hardship caused by the COVID-19 pandemic).

Certification

I hereby certify on behalf of the Owner, Managing Agent and their agents (together, "Recipient") that the Recipient has read and is familiar with the requirements and provisions of the New York State Credit Policy for Applicants to State-Funded Housing, as may be supplemented or amended from time to time by HCR, and have complied fully with them.

I am duly authorized and have legal capacity to execute this Certification on behalf of the Recipient:

Signature: _____ ☐ Check if signing electronically

Print Name: _____

Job Title: _____

Employer: _____

Date: _____

Part I – Credit Review Criteria

Step 1 – Applicant Subsidy

If the Applicant is in receipt of rent subsidies that go directly to the housing provider and pays the entire rent, Applicant may not be denied based on credit history.

1. Full Rent Subsidy	
Are there government-provided subsidies or programs that go directly toward payment of Applicant's rent that (together or by themselves) pay for the entire rent on an ongoing basis? <input type="checkbox"/> YES. Approve Applicant. End Process. <input type="checkbox"/> NO. Proceed to Step 2.	Examples of rent subsidy include, but are not limited to: <ul style="list-style-type: none">• Section 8 voucher• HUD/VASH• Public assistance/FEPS• HOPWA/HASA• Rural Rental Assistance• Non-Profit Rental Assistance• Others

Step 2 – 12-Month On-Time Rental Payment

If the Applicant can evidence 12 months of on-time rental payment history in the immediately preceding 12 months, Applicant may not be denied based on credit history.

2. Evidence of Rental Payments	
Does the Applicant have evidence of positive rental history, indicating consistent, on-time rental payments in the either the preceding 12 months? <input type="checkbox"/> YES. Approve Applicant. End Process. <input type="checkbox"/> NO. Proceed to Step 3.	Forms of evidence of positive rental payment include, at a minimum, but are not limited to: <ul style="list-style-type: none">• Canceled checks;• Rent receipts;• Landlord's written record of rent payment (provided by applicant);• Records of online rent payment;• Bank printouts showing direct payment to landlord;• Money order stubs; or• Any other form of evidence the Applicant can provide, accepted at the discretion of the housing provider.

Step 3 – Credit Score

Applicants to state-funded housing may not be denied housing based solely on their credit score. Housing providers may opt to consider a FICO credit score as one of several factors indicative of financial stability. If a housing provider intends to use a credit scoring system other than FICO (such as Vantage, or others), they must provide NYS HCR with documentation of how the score and model correspond to FICO. Having limited to no credit score is not the same as having poor credit and is not a cause for denial of housing.

NOTE: You must accept a credit report provided by an applicant if run within the last 30 days. If you are running a credit check, applicants must be provided a copy of their credit report if it is to be used among the bases for rejection. Furthermore, applicants cannot be charged more than the actual cost of running the checks or \$20 (cumulative for both credit and background check), whichever is less.

Housing providers may opt to set a lower credit score threshold than 580 (or 500 in the event the applicant is homeless) but may not set a higher credit score threshold (e.g., housing provider may set threshold at 560 (or 480 in the event the applicant is homeless)).

3. Housing Provider Policy

Is it your policy as a housing provider to consider Applicant's numerical credit scores as an indicator of financial stability?

- ☐ YES, complete questions below:
- ☐ NO. Proceed to Step 4 and subsequent sections to determine whether there are potential grounds for denial.

If YES, is the housing provider utilizing a credit score threshold of 580, or 500 for applicants who are homeless?

- ☐ YES. Proceed to next question.
- ☐ NO. Our credit score threshold is lower. Note that you may not select a threshold that is higher than 580 (500 for applicants who are homeless). Please fill in the blanks below and proceed to next question:

Threshold for applicants who are not homeless: _____

Threshold for applicants who are homeless: _____

If your credit threshold is 580 (or 500 for an applicant who is homeless), is the Applicant's credit score above that threshold? OR
If you have a lower credit score threshold set forth in the prior question, is the Applicant's credit score above that threshold?

- ☐ YES. Approve Applicant. The Applicant's credit score is satisfactory.
- ☐ NO. Proceed to Step 4 and subsequent sections.

Step 4 – Factors as Potential Grounds for Denial

Only the below factors may be potential grounds for denial. However, if any of these factors exist, the Applicant must be allowed **14 business days to submit any information or documentation** to explain or mitigate negative findings, which the housing provider must consider in its eligibility determination. A model letter can be found appended here: <https://hcr.ny.gov/afhmp-guidance>. Applicant must also be provided with a copy of his or her credit report and the HCR Know Your Rights handout (<https://hcr.ny.gov/KYR-Credit>), or similar documentation. Additional information regarding mitigating factors can be found in Part II below.

NOTE: A housing provider cannot deny an applicant on the basis of past or pending landlord-tenant actions or summary proceedings (such as evictions) under Article 7 of the Real Property Actions and Proceedings Law.

ALSO NOTE: The grounds for denial listed below are not mandatory. The housing provider can choose to house an applicant *even if they have an allowed grounds for denial*.

4. Factors as Grounds for Potential Denial

Only the following factors may be grounds for denial based on Applicant credit history:

A. Bankruptcy

Has the applicant filed for bankruptcy or had a bankruptcy executed upon within the preceding 12 months?

- ☐ YES. Consider mitigating factors and proceed to Part II.
- ☐ NO. Applicant may not be denied based on bankruptcy.

B. Delinquencies, Collections, Money Judgments and Liens	
<p>Does the Applicant have “Applicable Debt,” meaning delinquencies, collections, money judgments or liens resulting from a judgement or delinquency (e.g., outstanding taxes, missed loan payments, overdue child support), that meet ALL the following criteria?:</p> <p><input type="checkbox"/> <i>It is currently delinquent or unpaid (more than 90 days passed due or in collections)</i></p> <p><input type="checkbox"/> <i>It exceeds \$5,000 in total.</i></p> <p><input type="checkbox"/> <i>It is not medical or student loan debt.</i></p> <p><input type="checkbox"/> YES. Applicant’s Applicable Debt meets all the foregoing criteria. Proceed to Part II to consider required mitigating factors.</p> <p><input type="checkbox"/> NO. Applicant may not be denied based on Applicable Debt.</p>	<p>An Applicant’s application cannot be denied based on delinquency stemming from student loan or medical debt.</p> <p>Applicable Debt may include:</p> <ul style="list-style-type: none"> • Debt that has been transferred to a collections agency and is being pursued for collection. • Repossessions where the balance brings the Applicable Debt to over \$5,000. • Applicable Debt may not include: Delinquencies less than 90+ days passed due; • Medical or student loan debt; • Timely paid loans secured by liens on property (e.g., a car lease); • Satisfied and settled accounts that have been paid in full or as agreed prior to the date of the assessment; • Settled accounts in repayment, if Applicant can show proof of being up-to-date on payment towards settlement. If an Applicant is not up-to-date on repayment, the pre-settlement delinquency can count towards the \$5,000 threshold for Applicable Debt; or • Collections, repossessions or foreclosures that have been paid (PAID COLL, PAID REPO, PAID FORE) or are currently being paid. • Balances reflected on Charged-Off Accounts. <p>A “Charged-Off Account” is an account in which the balance has been transferred to a third-party agency. Such accounts will be reflected elsewhere in the credit report, if still outstanding.</p>

Part II: Applicant Outreach – Mitigating Factors

If the Applicant has failed Part I of the assessment, the housing provider is required to consider the following information prior to rejecting the Applicant. At this stage, the housing provider must reach out to the Applicant requesting additional information pursuant to Steps 1 and 2 below so that an individualized assessment may be conducted. A model request letter for additional information is appended here: <https://hcr.ny.gov/afhmp-guidance>.

The Applicant must be provided at least 14 business days in which to provide such additional information. This is not an appeals process. A housing provider must consider the additional information proffered by the Applicant *prior to* making a determination regarding the Applicant’s eligibility.

Step 1: Mitigating Factors Mandating Eligibility

The following factors are mandatory mitigating factors regarding Applicant eligibility. If an Applicant is able to provide documentation affirming the existence of these factors, the Applicant must be deemed eligible on the basis of credit history.

1. Adverse Factors of a Violence Against Women Act (“VAWA”) Covered Crime	
<p>Has the Applicant informed the housing provider that he or she is a survivor of domestic violence, dating violence, sexual assault, or stalking (“VAWA Covered Crimes”) and provided information sufficient for the housing provider to determine that the negative credit or financial history is a direct result of the VAWA Covered Crime?</p> <p><input type="checkbox"/> YES. Approve Applicant. End Process.</p> <p><input type="checkbox"/> NO. Proceed to next question.</p>	<p>The federal VAWA Final Rule and HCR policy require a housing provider to take into account “adverse factors” that may directly result from an individual being a victim of a VAWA Covered Crime. If an Applicant informs the housing provider that he or she is a survivor of a VAWA Covered Crime and provides information sufficient to allow the housing provider to determine that an adverse factor (such as credit score or bankruptcy) is a direct result of a VAWA Covered Crime, the Applicant cannot be denied housing on this basis.</p> <p>Additional information on adverse factors and the direct result analysis may be found in HUD Notice H-2017-05 and Notice PIH-2018-08(HA).</p>
2. Positive Rental Payment History	
<p>In the case of a negative finding of Bankruptcy or Applicable Debt, pursuant to Part I, Step 4 above, does the Applicant have evidence of positive rental history, indicating consistent, on-time rental payments in the preceding 12 months?</p> <p><input type="checkbox"/> YES. Approve Applicant. End Process.</p> <p><input type="checkbox"/> NO. Proceed to Step 2.</p>	<p>Forms of evidence of positive rental payment include, at a minimum, but are not limited to:</p> <ul style="list-style-type: none">• Canceled checks;• Rent receipts;• Landlord’s written record of rent payment (provided by applicant);• Records of online rent payment;• Bank printouts showing direct payment to landlord;• Money order stubs; or• Any other form of evidence the Applicant can provide, accepted at the discretion of the housing provider.
3. Bankruptcy or Applicable Debt and the COVID-19 Pandemic	
<p>In the case of a negative finding of Bankruptcy or Applicable Debt, pursuant to Part I, Step 4 above, was the Bankruptcy related to, or was the Applicable Debt accrued (1) during the State of Emergency in New York State (March 7, 2020 through June 23, 2021) and (2) due to financial hardship caused by the COVID-19 Pandemic?</p> <p><input type="checkbox"/> YES. Approve Applicant. End Process.</p> <p><input type="checkbox"/> NO. Proceed to next question.</p>	<p>An Applicant cannot be denied on the basis of a Bankruptcy related to, or Applicable Debt accrued (1) during the COVID-19 State of Emergency in New York State (March 7, 2020 – June 23, 2021) and (2) due to financial hardship caused by the COVID-19 Pandemic.</p>

Step 2 – Other Mitigating Factors

The following factors are other factors that the housing provider must weigh in considering an Applicant's eligibility. The housing provider must weigh the totality of circumstances regarding the Applicant and any mitigating information in order to make a determination regarding eligibility.

4. Erroneous or Incomplete Findings	
Has the Applicant evidenced that the findings regarding negative credit history are erroneous or incomplete, and do the corrected findings indicate that the Applicant's credit history is unlikely to negatively impact tenancy going forward? <input type="checkbox"/> YES. Approve Applicant. End Process. <input type="checkbox"/> NO. Move to next question.	Examples may include, but are not limited to the following (check which apply): <input type="checkbox"/> Errors in credit reporting; <input type="checkbox"/> Evidence of settlement of delinquent accounts; or <input type="checkbox"/> Other (Explain in Box below).
5. Other Mitigating Factors	
Has other information been provided by the Applicant indicating that negative credit history is unlikely to negatively impact Applicant's potential tenancy going forward? <input type="checkbox"/> YES. Approve Applicant. End Process. <input type="checkbox"/> NO. Move to next question.	Examples may include, but are not limited to the following (check which apply): <input type="checkbox"/> Applicant's negative history is due to incarceration; <input type="checkbox"/> Applicant's negative history is due to deployment in the US Armed Forces; <input type="checkbox"/> Applicant's negative history is due to an episodic financial crisis that no longer exists (e.g., short-term or temporary unemployment, illness, etc.); <input type="checkbox"/> Applicant's negative history is due to financial hardship caused by the COVID-19 pandemic. <input type="checkbox"/> Applicant has a payment plan for their past financial obligations and has been making timely payments. <input type="checkbox"/> Applicant is now in receipt of a government rent subsidy; or <input type="checkbox"/> Other mitigating or extenuating circumstances (Explain in Box below).
6. Determination	
Based on a consideration of all the factors and mitigating circumstances, is the applicant eligible for tenancy? <input type="checkbox"/> YES <input type="checkbox"/> NO Include a detailed explanation below: _____ _____ _____ _____ _____	